

Message Text

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FM SECSTATE WASHDC
TO AMEMBASSY TEHRAN PRIORITY

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E.O. 11652: N/A

TAGS:ETRD, BENC, IR

SUBJECT:MAJOR PROJECTS: MINISTRY OF HOUSING - NATIONAL
PETROCHEMICAL COMPANY PREFABRICATED HOUSING TENDER --
NATIONAL HOMES CORP., LAFAYETTE, INDIANA

REF: TEHRAN 0826

1. DEPTOFFS (IRN) MET WITH JAMES J. SHAW, CHAIRMAN AND
CEO OF NATIONAL HOMES, ON MORNING OF JAN. 24 TO DISCUSS
CURRENT STATUS OF PROJECT. SHAW WAS ACCOMPANIED BY
CONGRESSMAN FLOYD FITHIAN (2ND DISTRICT INDIANA) AND
STAFF AIDE TO FITHIAN. GROUP HAD EARLIER VISITED CAGNE.

2. ACCORDING TO SHAW, NATIONAL WAS LOW BIDDER ON
SUBJECT TENDER, WHICH INVOLVES CONSTRUCTION OF 1000
FAMILY HOMES, SCHOOLS, SHOPPING CENTER. ENTIRE PROJECT
WILL REQUIRE UP TO 40,000 STRUCTURES. SHAW SAID TENDER
IS NOW VERY "POLITICIZED" WITH SWISS GOVERNMENT REPORTED-
LY PUTTING MUCH PRESSURE ON GOI ON BEHALF OF MEMCO.

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NATIONAL'S REPRESENTATIVE, HAND (WHO SHAW SAYS IS
AUTHORIZED COMPANY OFFICIAL), REPORTED THAT IRANIANS HAD
APPEARED SURPRISED USG HAS NOT LIKEWISE WEIGHED-IN ON
BEHALF OF NATIONAL. BOTH SHAW AND CONGRESSMAN FITHIAN

WERE INTERESTED IN KNOWING WHETHER EMBASSY COULD DO
ANYTHING TO HELP NATIONAL. WE EXPLAINED THAT EMBASSY

HAS ACTIVELY AND SUCCESSFULLY PROMOTED AMERICAN FIRMS IN IRANIAN HOUSING PROJECTS BUT THAT, IN THIS INSTANCE, EMBASSY HAD NOT BEEN APPROACHED BY NATIONAL FOR ANY ASSISTANCE. ACCORDING TO SHAW, SITUATION IS PARTICULARLY URGENT SINCE DECISION IS TO BE MADE MONDAY, JANUARY 30, AT COUNCIL OF MINISTERS MEETING.

3. SHAW, WHO WAS SHOWN COPY OF REFTEL, SAID THREE AMERICAN FIRMS INVOLVED WITH MEMCO ARE SMALL AND LACK SUFFICIENT MEANS TO DO WORK, ACCORDING TO RECENT DUN AND BRADSTREET CHECK. HE SAID ALSO THAT EXECUTIVE VICE PRESIDENT OF NATIONAL ASSOCIATION OF HOME MANUFACTURERS (GILCHRIST) HAD CHECKED OUT THREE FIRMS AT NATIONAL'S REQUEST AND HAD REPORTEDLY TELEXED GOI'S HOUSING RESEARCH CENTER THAT COMPANIES DID NOT APPEAR TO BE QUALIFIED. (COMMENT: WE ARE UNABLE TO CONFIRM WITH GILCHRIST WHO IS AWAY FROM WASHINGTON THIS WEEK.)

4. FYI COMMERCE REPORTS THAT NONE OF THE THREE FIRMS APPEAR IN DUN AND BRADSTREET'S MILLION DOLLAR DIRECTORY, ALTHOUGH D/B REPORTS MILLWORK HAS GOOD CREDIT RATING. GUARDIAN HOUSING SYSTEMS HAS NO TELEPHONE LISTING AND IS APPARENTLY NAME OF DESIGN USED BY MILLWORK. DON WEBB IS INTERNATIONAL BROKER WHO SERVES AS MILLWORK'S AGENT. (ANOTHER CLIENT IS MEMCO.) MILLWORK IS SMALL DESIGN FIRM WHICH HAS UNDERTAKEN PROJECTS IN SAUDI ARABIA, LIMITED OFFICIAL USE

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KOREA, AND YEMEN. 1976 SALES WERE DOLS 558,000. MILLWORK REPORTS THAT STEEL AND EQUIPMENT WOULD BE U.S.-ORIGIN THROUGH US STEEL ALTHOUGH NO DOLLAR FIGURE FOR EXPORTS COULD BE PROVIDED. END FYI.

5. NATIONAL HAD 1977 SALES OF DOLS 138 MILLION AND EMPLOYS 3,100. FIRM IS IN PARTNERSHIP WITH IRANIAN FIRM BY NAME OF HOVERNAFT INTERNATIONAL CONSTRUCTION CO. (542 NEZAMI GANJAVI AT-TAVANIR. P.O.B. 314-1778, TEHRAN) WHOSE CHAIRMAN IS MR. F.B. DIBA, REPORTEDLY COUSIN TO EMPRESS.

6. SHAW TOLD DEPTOFFS HE HAD JUST LEARNED, VIA PHONE CALL TO TEHRAN, OF ATTEMPT BY MEMCO TO OFFER HOVERNAFT DOLS 4 MILLION IF LATTER WOULD PULL OUT. ALTERNATIVELY, MEMCO WOULD DROP OUT FOR A SIMILAR SUM FROM HOVERNAFT.

7. ACTION REQUESTED: SINCE NATIONAL IS SOLE U.S. FIRM COMPETING AS PRIME CONTRACTOR, EMBASSY SHOULD, IF IT PERCEIVES NO OBJECTION, MAKE REPRESENTATION TO APPROPRIATE GOI OFFICIALS IN HOUSING MINISTRY TO EMPHASIZE NATIONAL'S

EXPERTISE AND STRESS COMPANY'S INTEREST IN SUBJECT
'ENDER. IT SHOULD ALSO BE NOTED THAT NATIONAL HAS BEEN
LED TO BELIEVE IT IS LOW BIDDER. IF, IN FACT, DECISION
WILL BE MADE AT COUNCIL OF MINISTERS' LEVEL JANUARY 30,
EMBASSY, AT ITS DISCRETION, MAY WISH TO BRING THIS TO
ATTENTION OF OTHER HIGH LEVEL GOI OFFICIALS. THIS IS
JOINT COMMERCE/STATE MESSAGE. VANCE

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